Rail overhead traction equipment by inexperienced company

2877. SHRI AMAR SINGH: Will the Minister of RAILWAYS be pleased to state:

(a) whether it is a fact that the tender for supply and erection of 25 KV traction overhead equipment, etc. in Sitarampur (Exclusive) was awarded in 1992 to M/s. Aluminium Industries, Thiruvananthapuram, despite the fact that the tender committee did not recommend its name on the ground of inexperience in executing OHE contract and unsatisfactory performance; and

(b) if so, whether the work has since been executed by the company, if not, what penalty has been imposed on it and whether recovery has been made, if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI O. RAJAGOPAL): (a) Yes, Sir. For overhead equipment work of electrification of Sitarampur-Jhajha section of Eastern Railway.

(b) The work has since been completed and the section brought on electric traction. The Company, M/s. Aluminium Industries Ltd. (Contract Division) could not complete the work and the work was completed by another company, who were entrusted the job on 'risk and cost' basis.

M/s ALIND (Contract Division) had become sick and had been referred to BIFR (Board for Industries and Financial Reconstruction). The 'risk and cost' liability of the company was deferred. Part payments for executed work only were allowed.